

Mandatory professional liability insurance

- (1) An authorized designated body shall require all licensees to maintain, and provide satisfactory proof of maintaining, professional liability insurance coverage.
- (2) The authorized designated body's requirements for insurance shall include:
 - (a) minimum coverage limits per claim and, in aggregate per policy period;
 - (b) maximum allowable deductibles; and
 - (c) the minimum period for which insurance is to be maintained after a licensee retires or leaves practice.
- (3) In setting requirements for insurance, the authorized designated body must consider and address, to the extent possible:
 - (a) different levels of risk based on practice size, number of principals, or other similar factors;
 - (b) the magnitude of claims reasonably anticipated to arise; and
 - (c) the coverage reasonably available in the marketplace.
- (4) The authorized designated body may, as an exception, permit self-insurance in cases where sufficient professional liability coverage is not reasonably available in the marketplace due to the size of the professional corporation, partnership or practice and its risk exposure. Such an exception may be permitted only on the condition that the professional corporation, partnership or practice set aside assets at least equal in value to the self-insured amount.
- (5) An authorized designated body shall specify in its bylaws or regulations or policies the adverse consequences arising for a licensee or partnership who fails to comply with the mandatory professional liability insurance requirement or to report such compliance to the authorized designated body, which consequences shall include the suspension or revocation of a licence or certificate of authorization to practise public accounting, as applicable.